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TAGS: [PREL](#) [PGOV](#) [GG](#) [RU](#) [AM](#)
SUBJECT: ARMENIANS WORRIED ABOUT EFFECTS OF GEORGIA-RUSSIA
RELATIONS

REF: A) TBILISI 2590 B) TBILISI 2601 C) YEREVAN 1268

Classified By: CDA A. F. Godfrey for reasons 1.4 (b, d).

SUMMARY

11. (C) Public statements from Armenian officials are generally calm and balanced, but acknowledge the effects on Armenia of the Russian blockade of Georgia. Privately, officials are more concerned, and more of them blame Georgia than Russia. PM Markarian told visiting DAS Matt Bryza on October 4 that Armenia would be ready to step up delivery of electricity to Georgia if Russian gas is cut off. END SUMMARY.

MFA OFFICIAL: GEORGIA MADE A MISTAKE

12. (C) Georgia overreacted to its discovery of alleged Russian military intelligence officers involved in espionage, Vardan Hakobyan, the head of the MFA's CIS department, told us October 5. He called the arrests a "PR stunt," noting that they occurred on the 13th anniversary of the fall of Sukhumi, Abkhazia, to separatist forces. Hakobyan said the GOG had underestimated Russia's reaction to the arrests.

13. (C) Hakobyan said the GOAM was in constant communication both with Tbilisi and with Moscow, which had not given Armenia any advance warning of its plans for retaliation, but has promised not to halt the flow of gas as in December 2005. Hakobyan was skeptical that the gas would continue to flow, however. "Today they promise, but tomorrow who knows what they will do. Maybe they will wait until it gets cold, and then turn off the gas," he said.

BLOCKADE SQUEEZES ARMENIAN TRADE ROUTES

14. (C) Hakobyan spoke resignedly, but without bitterness. He said without irony that Russia continues to pledge its friendship to Armenia. He said Russia's response was understandable, and that the GOR could not "tolerate Georgian aggression for the sake of Armenia." He also noted that Georgia was demonstrating good faith towards Armenia. Although Georgian planes are no longer permitted to land in Russia, Hakobyan said the GOG had promised it would not close its airspace to Russian carriers shuttling between Russia and Armenia. He noted that Georgians trying to get home from Russia were flying to Yerevan and traveling overland to Georgia. Hakobyan said Armenia would feel the effects of the Turkish and Azeri blockades even more acutely now.

PM: ARMENIA READY TO ASSIST GOG IF GAS IS SHUT OFF

15. (C) During an October 4 meeting with visiting DAS Bryza, Prime Minister Andranik Markarian said Armenia would likely suffer most from the rising tension between Russia and Georgia. He said Armenia was highly dependent on Georgia and had a strong interest in stability in Georgia and in promoting good relations between Georgia and Russia. "We have never had any problems between our two countries," he said. Markarian said Armenia continued to move ahead with plans to build a new high-voltage electricity transmission line with Georgia and suggested that Armenia would assist Georgia, should gas from Russia be cut off. "When Georgia is in a difficult situation, we always provide their electricity," he said. DAS Bryza said he had learned during his meetings in Tbilisi that the Georgians were actively working to ready the Georgian network for the increase in electricity from the second high-voltage line. Markarian laid out a longer-term plan to import the same amount of gas from Iran that Armenia imports from Russia, with an eventual eye toward exporting that gas through Georgia to Eastern Europe. He noted there were "regional issues that need to be sorted out first," to avoid displeasing the U.S. DAS Bryza underscored U.S. concerns about Iran.

16. (U) Publicly, Markarian and Foreign Minister Vartan Oskanian expressed concern about the blockade's effects on Armenia. Markarian said that, while the blockade had not yet affected Armenia, escalation of the crisis could result in Armenian isolation from the outside world. Vahan Hovhannesian, the ARF/Dashnak deputy speaker of the National

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Assembly, told reporters that Russia clearly was not taking into account Armenian interests. "Maybe they expect understanding from us, but I for one don't have any," Hovhannesian said.

UPDATE ON ARMENIANS ARRESTED IN GEORGIA

17. (C) The MFA's Hakobyan said that five of the Armenian citizens arrested earlier in the summer after South Ossetian and Abkhaz stamps were found in their passports were still imprisoned, and that lawyers were working with the Armenian embassy in Tbilisi to get them out (ref C). Hakobyan said the Georgian MFA had said it would try to find ways to fix the problem, but that the law that had been applied was still on the books. Hakobyan said Armenian guards at the Georgian border were cautioning Armenian citizens not to travel to Georgia. Hakobyan said the GOAM argued that the continued application of the law would result in a significant loss of Armenian tourist business. "They don't care, but in the summer they'll have to think," he said. The number of Armenians vacationing in Adjara alone doubled from about 20,000 last summer, to more than 40,000 this summer.

COMMENT

18. (C) The deputy speaker's remarks notwithstanding, official Yerevan is reluctant to lay any blame on Russia for the potential harm to the Armenian economy. Though Hakobyan possesses a sober understanding of the real threat to Armenia, he steadfastly maintained throughout the conversation that Russia is a true friend and ally of Armenia. If the crisis continues to escalate and Armenia does suffer, however, the GOAM may find itself with little choice but to turn ever faster toward Iran for its energy needs.
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